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ABSTRACT

Between March 1996 and November 1997, a study was conducted to determine the level of fundraising performance for both the State University of New York (SUNY) and the City University of New York (CUNY), and to identify the "best" fundraising practices. SUNY and CUNY fundraising results for fiscal year 1995 were compared with those of other higher education institutions, development peers, and academic peers. Results indicated that SUNY and CUNY raised significantly less money than the top-20 higher education fundraisers nationally and also raised less than their development and academic peer institutions. In terms of dollars raised as a percentage of general and educational expenditures, SUNY's fundraising efforts were less successful than those of its peers for all types of campuses in the SUNY system. CUNY's performance was better than that of its development peers at certain campuses but trailed that of its academic peers at all campuses. Individual campus results varied greatly. Best fundraising practices were determined to be the following: making staff and resource commitments, obtaining experience, maintaining adequate records, pursuing prospect research, having annual fund and planned giving programs, and promoting good relations with corporations and foundations. Appendices include report contributors and SUNY/CUNY officials. (YKH)

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State of New York
Office of the State Comptroller

Division of Management Audit and
State Financial Services

Report 96-D-1

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Chancellor
State University of New York
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Dr. Christoph Kimmich
Acting Chancellor
City University of New York
535 East 80th Street
New York, New York 10021

Dear Dr. Ryan and Dr. Kimmich:

The following is our study of private fund raising at the State University of New York and the City University of New York.

This study was done pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. Major contributors to this report are listed in Appendix A.

Office of the State Comptroller
Division of Management Audit
and State Financial Services

May 12, 1998

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Executive Summary

State University Of New York
City University Of New York
Staff Study: Private Fund Raising At SUNY And CUNY

Scope of Study

The State University of New York (SUNY), created as a public university system in 1948, enrolls almost 400,000 students at its 64 campuses. According to SUNY officials, SUNY is the largest comprehensive system of public higher education in the nation. The SUNY system consists of 29 State-operated campuses, 5 statutory and contract colleges and 30 community colleges. For fiscal year 1997-98, the Executive Budget recommended $2.9 billion for SUNY. SUNY is supported by State appropriations, tuition and fees and, to a very limited extent, by private donations. SUNY reports that private donations at the 29 State-operated campuses amounted to $56.6 million in fiscal year July 1- June 30, 1995.

The City University of New York (CUNY) was created as a public university system in 1961. CUNY officials state that CUNY is the third largest public university system in the nation in terms of enrollment, comprising ten senior colleges, six community colleges, one technical school, a graduate school, a law school and Hunter College High School. CUNY is supported by State appropriations, tuition and fees, local tax levy funds and, to a very limited extent, by private donations. In 1997-98, CUNY's enrollment totaled approximately 355,000 students, and its operating budget was $1.3 billion. The 13 CUNY campuses we surveyed raised $32.7 million in private funds in fiscal year July 1 - June 30, 1995.

The most recent fund raising data available at the time of our field work was for the fiscal year ended June 30, 1995. It was not feasible to update the data because of the extent of the analysis necessary to make the SUNY and CUNY data comparable.

Between State fiscal years 1986-87 and 1996-97, State support for SUNY core operations declined from 75 to 46 percent of revenue; similar declines have been seen in State support at CUNY. SUNY and CUNY view private donations as a supplement to - not a substitute for - State and (for CUNY) City support. Fund raising is decentralized at both SUNY and CUNY. Development activities at SUNY are coordinated by the Office of University Relations, Alumni and Development (Office). CUNY reports that effective April 1997, a Director was hired to oversee a central Office of Development.

Our field work was performed between March 18, 1996, and January 31, 1997. Follow up to preliminary findings ended November 20, 1997. Our study addressed the following questions about fund raising practices and results at SUNY's 29 State-operated campuses and at 13 of 20 CUNY campuses for the period April 1, 1993 through January 31, 1997:

- What is the level of SUNY and CUNY fund raising performance?
- Are there recognized "best practices" in fund raising that can improve results?

Study Observations and Conclusions

We found that SUNY and CUNY raised significantly less money than the top twenty fund raisers nationally, and that they also raised less than some peer institutions. We encourage both SUNY and CUNY to carry out the "best practices" discussed in this report to improve results.

We compared SUNY and CUNY fund raising results for fiscal year ended 1995 to those of other institutions of higher education, as reported to the Council for Aid to Education (CAE). Although they are, respectively, the largest and third-largest systems of public higher education in the country, SUNY and CUNY raised significantly less money than did the top twenty higher education fund raisers nationally, eight of which are public institutions. We also compared both SUNY and CUNY fund raising results to those of a sample of development peers (similar in development practices and results) and academic peers (similar in academic respects only). In terms of dollars raised as a percentage of general and educational expenditures (a traditional index), SUNY's fund raising efforts were less successful than those of its development and academic peers for all types of campuses in the SUNY system. CUNY's performance was better than that of its development peers at some kinds of campuses, but trailed that of its academic peers at all campuses. We also found wide variations in the results achieved by individual SUNY and CUNY campuses. (See pp. 7-16)

Our study showed that the fund raising "best practices" for institutions of higher education are: make a commitment of staff and resources; obtain fund raising experience; maintain adequate alumni and donor records; pursue prospect research; carry out an annual fund; set up a planned giving program; and promote good relations with corporations and foundations. Both SUNY and CUNY need to dedicate the resources necessary to get the best return possible from their fund raising efforts. We commend SUNY and CUNY for the steps they have recently taken to promote private fund raising initiatives. (See pp. 17-29)

Comments of SUNY and CUNY Officials

SUNY and CUNY officials generally agree with our observations and issues for further consideration. They indicate that actions have been taken or are planned to promote further development.

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Introduction

Background

The State University of New York (SUNY) was created as a public university system in 1948. SUNY is the largest comprehensive system of public higher education in the nation, ranging from associate degree granting community colleges through research, doctoral and professional universities. According to SUNY, almost 400,000 students are enrolled at its 64 campuses. .SUNY offers a complete range of academic, professional and vocational programs, and its mission is to provide post-secondary educational programs of the highest quality and with the broadest possible access. The SUNY system consists of 29 State-operated campuses, including 5 statutory and contract colleges at Alfred and Cornell Universities, and 30 community colleges. For fiscal year 1997-98, the Executive Budget recommended $2.9 billion for SUNY. Currently, SUNY operations are funded by State appropriations, by tuition and fees and, to a very limited extent, by private contributions. According to *Development 1995*, SUNY's annual report of the results of private fund raising efforts, the 29 State-operated campuses raised a total of $56.6 million in private funds in fiscal year July 1-June 30, 1995, the latest year for which these results are available.

The City University of New York (CUNY) was created as a public university system in 1961 and, in terms of student enrollment, ranks third among the public university systems in the nation. CUNY's mission is to maintain and expand its commitment to academic excellence and opportunity for students, faculty and staff from both sexes and from all ethnic and racial groups. CUNY comprises ten senior colleges, six community colleges, one technical school, a graduate school, a law school and Hunter College High School. In 1997-98, CUNY's enrollment totaled approximately 355,000 students, and its operating budget was $1.3 billion. CUNY operations are funded by the following revenue sources: State appropriations; tuition, fees and miscellaneous income; local tax levy funds; and, to a very limited extent, by private donations. For the CUNY colleges we contacted, total private donations for fiscal year July 1-June 30, 1995 amounted to over $32.7 million.

State funding for SUNY and CUNY has been decreasing for many years. Between State fiscal years 1986-87 and 1996-97, State support for SUNY core operations declined from 75 percent to 46 percent of revenue. Similar declines have been seen in State support at CUNY. CUNY also receives support from New York City, but the level of this support has fluctuated significantly over the years. The decrease in State support for SUNY and CUNY is consistent with national trends. State support for public higher education institutions throughout the nation decreased, on

average, from about 75 percent of total funding two decades ago to about 30 percent today.

As a consequence of decreased financial support from government, private funding has ceased to be a luxury; seeking out revenues from private funding is now an annual necessity. SUNY and CUNY institutions, like other systems of public higher education, increasingly look to private contributions to help support special programs and facilities that bring distinction to their campuses, provide educational opportunities for their students, and attract and retain faculty. According to an article entitled, *The Public University Goes a Little Less Public* in the November 1994 issue of *Governing* magazine, donations from private fund raising now cover about 10 percent of the average annual budget of a large public university. The author of the above article further notes that about 90 percent of the private funds donated are restricted; that is, donors specify that their funds should be used only for certain projects or purposes.

Therefore, SUNY and CUNY officials view these funds as a supplement to - not a substitute for - State and (for CUNY) City support. In *SUNY 2000, a Vision for the New Century,* a report from the Board of Trustees and the Chancellor of SUNY, private support is described as the critical difference in the ability of SUNY's institutions to achieve excellence through such programs as merit scholarships, undergraduate research programs, visiting lectureships, library and cultural enhancements, faculty development, and seed money for innovative programming.

At SUNY, fund raising is generally decentralized in that each campus determines its own fund raising goals and policies. However, the Associate Vice Chancellor of the Office of University Relations, Alumni and Development at SUNY System Administration (Office) offers training, support, and advice to campuses to enhance their fund raising capability. The Office also requires that all SUNY campuses report their fund raising results for publication in the Office's *Development* report.

CUNY's fund raising activities are also decentralized. Each CUNY campus that engages in fund raising activities and receives private donations has its own unique organization for fund raising, and has a campus-related foundation that receives and administers donated funds. CUNY Central Administration manages the schools' investments made with private funds through its University Accounting Office. However, at the time of our fieldwork, CUNY Central Administration was not providing other services, such as training and support, to CUNY campuses, or

requiring the campuses to report their fund raising results to CUNY Central Administration.

Response of CUNY Officials to Study: In responding to our study, CUNY officials indicated that since April 1997, a University Director of Development has been hired and efforts including successful solicitation of scholarship funds, cultivation of potential private donors and collaboration with colleges on University-wide development initiatives have taken place.

Each year, the *Council for Aid to Education* (CAE) collects and reports fund raising results of those colleges and universities that voluntarily report fund raising data. The CAE is a not-for-profit corporation organized for the purpose of encouraging broader and more effective voluntary support for education in the United States. SUNY required its campuses to report to the CAE, but CUNY Central Administration did not require CUNY colleges to do so. Over the past ten years, only one CUNY college (City College) has consistently reported its fund raising results; four other CUNY institutions (Baruch, Brooklyn, Hunter and Lehman Colleges) have reported fund raising statistics, but not on a regular basis.

Response of CUNY Officials to Study: CUNY officials indicated that, in the future, reporting to CAE is planned.

Scope, Objectives and Methodology of Study

Our study examined fund raising practices and results at SUNY's 29 State-operated campuses and at 13 of 20 CUNY campuses (the ten senior colleges, the law school, the technical school and the graduate school) for the period April 1, 1993 through January 31, 1997. Our field work was performed between March 18, 1996, and January 31, 1997. Follow up to preliminary findings ended November 20, 1997. The objectives of our study were to determine the extent of SUNY's and CUNY's fund raising efforts and to identify recognized "best practices" that can improve fund raising results.

To accomplish our study objectives, we compared SUNY and CUNY fiscal year ended 1995 fund raising data, as well as fund raising practices, to those of other institutions of higher education. These institutions belonged to one (or more) of the following categories:

- the top 20 private fund raisers among U.S. colleges and universities for fiscal year ended 1995 as reported to the CAE;

- development peers (institutions with comparable fund raising activities/results);

- academic peers (institutions which, in the estimation of SUNY or CUNY officials or in our judgment, were peers in general academic respects, but not in fund raising activities/results).

The most recent fund raising data available at the time of our field work was for the fiscal year ended June 30, 1995. It was not feasible to update the data because of the extent of the analysis necessary to make the SUNY and CUNY data comparable.

We also analyzed and compared fund raising practices and results among individual SUNY and CUNY campuses.

To perform these analyses and comparisons at SUNY, we interviewed SUNY System Administration officials and officials from two fund raising organizations (Council for Aid to Education, and American Association of Fund Raising Counsel, Inc.). We also conducted telephone interviews of development officials from 11 development peer institutions and 17 academic peer institutions, and did research on the subject of development and fund raising. In addition, we produced a development survey document which was completed by each SUNY State-operated campus, visited eight SUNY campuses and two private colleges and reviewed development reports prepared by SUNY System Administration.

To perform our analyses and comparisons at CUNY, we interviewed CUNY administrative officials at Central Administration and at the University Accounting Office, and also interviewed officials from the two fund raising organizations noted above. We also conducted telephone interviews with selected institutions viewed as CUNY's development or academic peers in this study. We produced and submitted a development survey document to CUNY campuses (the senior colleges, the graduate school, the law school and the technical school) and their affiliated foundations for completion, and received survey responses from all thirteen schools. We visited all the CUNY senior campuses except for the College of Staten Island, which did not have a Development Director at the time of our campus visits. We also visited Old Westbury, a SUNY campus identified by CUNY as one of its academic peers, to obtain information on their fund raising practices. We researched literature and current news articles on the subject of development and fund raising.

To determine the total funds raised for FY 1995 we used the definition of voluntary support for education provided by CAE. This definition includes the following categories as Voluntary Support:

- gifts and grants to the institution, both restricted and unrestricted for current operations and for capital purposes, regardless of the form (cash, products, property, securities, life insurance contracts, etc.);
- gifts and grants to affiliated foundations and organizations created to raise funds for the institution;
- cash payments returned as contributions from salaried staff; and
- insurance premiums paid by donors.

Some of the major items that are not included are pledges or commitments of financial support not received during the year; revenue from contract research and other contracts that violate the donative nature of voluntary support; and any public funds.

We did not audit the data received from SUNY, CUNY or other development or academic peer institutions concerning their fund raising programs. We also did not audit the expenditures of fund raising money the campuses received.

Response of SUNY and CUNY Officials to Study

A draft copy of this report was provided to SUNY and CUNY officials for their review and comment. The comments of SUNY and CUNY were considered in preparing this report and are included as Appendix B and Appendix C, respectively.

Within 90 days after final release of this report, we request that the Chancellor of the State University of New York and the Acting Chancellor of the City University of New York report to the Governor, the State Comptroller and leaders of the Legislative and fiscal committees, advising what actions were taken by the management of the Universities in response to the study issues, observations and conclusions.

Comparing SUNY and CUNY Fund Raising Results to Those of Other Institutions

Both public and private institutions of higher education carry out fund raising efforts to supplement revenues from other sources. To gauge how successful SUNY and CUNY have been in raising private funds, we compared their fund raising results to those of a sample of other institutions of higher education nationwide. First, we compared SUNY and CUNY fund raising results to those achieved by the top twenty (total money raised) institutions of higher education in the country for fiscal year ended 1995 as reported to the Council for Aid to Education. We then compared SUNY and CUNY fund raising results to those of their "development peers" (similarities in fund raising practices/results) and "academic peers" (similarities in academics, but not in fund raising practices/results). Finally, we analyzed and compared the fund raising performance of individual campuses within the SUNY and CUNY systems. Our study found that SUNY and CUNY raised significantly less money from private sources than institutions among the top twenty fund raisers, and less money than some of their development and academic peers. We also found that certain SUNY and CUNY campuses were much more successful in fund raising than others.

Comparison of SUNY and CUNY to the Top Twenty Fund Raisers

SUNY and CUNY are among the largest public higher education systems in the nation. These institutions together provide educational services to three-quarters of a million students. Therefore, it might be expected that both SUNY and CUNY would be among the top private fund raisers for systems of higher education. However, when we compared SUNY and CUNY fund raising figures for fiscal year 1995 to those of the top twenty fund raisers, both public and private, we found that neither SUNY nor CUNY were listed among the top twenty institutions. In fact, the top twenty institutions clearly outdistance SUNY and CUNY in their fund raising results.

Table 1 on the next page shows the amounts of private funds raised, as reported to CAE, for each of the colleges or universities listed. It is significant to note that eight of the twenty most successful private fund raisers in fiscal year ended 1995 were public institutions (as shown in **bold**).

Table 1

The 20 Colleges or Universities Reporting the Most Voluntary Support in 1995 From All Sources

	Total Dollars
1. Harvard University (MA)	323,406,242
2. Leland Stanford Junior University (CA) *1	240,832,287
3. Yale University (CT)	199,646,606
4. Cornell University (NY)	198,736,229
5. University of Wisconsin, Madison (WI)	**164,349,458**
6. Duke University (NC)	155,164,009
7. Columbia University (NY)	151,800,682
8. University of Michigan (MI)	**145,757,642**
9. University of Southern California (CA)	138,366,230
10. University of Pennsylvania (PA)	135,324,761
11. University of Minnesota (MN)	**131,638,509**
12. University of Washington (WA)	**127,774,167**
13. University of Illinois (IL)	**116,578,975**
14. Indiana University (IN)	**109,654,739**
15. University of California, San Francisco (CA)	**108,127,887**
16. Massachusetts Institute of Technology (MA)	107,937,812
17. Princeton University (NJ)	103,826,392
18. University of California, Berkeley (CA)	**103,088,570**
19. Brown University (RI)	102,513,437
20. Northwestern University (IL)	101,041,213

Source: *Voluntary Support of Education-1995,* prepared by the Council for Aid to Education

*1 The University is known more generally as Stanford University.

In contrast, SUNY reported in *Development 1995* that it raised $56.6 million at the 29 State-operated campuses included in our study scope and another $11.8 million at its 30 community colleges, for a grand total of $68.4 million in private fund raising donations. As noted earlier, the individual CUNY campuses do not externally report their fund raising results. However, the total private funds raised in fiscal year ended 1995 at the 13 CUNY campuses we surveyed as part of this study amounted to $32.7 million.

Response of SUNY Officials to Study: SUNY officials responded that annual giving for 1996 totaled approximately $68 million. In addition, SUNY officials stated that the University Board of Trustees has adopted a goal of annual private fund giving to reach $100 million by the year 2000. Officials of SUNY also pointed out that the Governor's 1998-99 Executive Budget contains a 5 Year - $100 million Capital Match Program which is designed to supplement the $2 billion multi-year capital construction program. SUNY reports that campuses are already identifying donors in order to qualify for a matching gift. Also, SUNY officials point out that the University is pursuing legislation to establish and Eminent Scholars Program to attract and keep renown scholars at campuses. This program would require State dollars matched by campuses private support.

Response of CUNY Officials to Study: CUNY officials responded that fund raising totals used in the study to do not jibe with those of college foundations and that such possible inaccuracies had been previously reported during the study fieldwork. CUNY officials also identified some of the factors that cause difficulties in measuring fund raising results across the University. Officials also reported that they are reviewing the best ways to record private and philanthropic dollars raised across the colleges in an accurate and consistent manner. CUNY plans to eventually report fund raising results to CAE and other national associations.

Auditor Comments: To complete the study we estimated fund raising results by using the criteria established by CAE for defining voluntary support. Of necessity this required some interpretation of available CUNY college records, which are not, as CUNY points out, necessarily kept on a uniform basis. Accordingly, results obtained by the study may not agree with records kept by the colleges. We agree with CUNY efforts to review the best ways to record private fund raising dollars across the University.

Comparison of SUNY and CUNY to Their Development and Academic Peers

The top twenty fund raisers among institutions of higher education are the most successful at seeking out private contributions of all such institutions in the country. As evidenced by the totals raised by the top twenty national fund raisers, SUNY and CUNY have a long way to go before they can rank among the top twenty. There are numerous reasons for this "fund raising gap" which we will discuss in the next section of this report, entitled "Using Best Practices to Improve Fund Raising Results."

To examine SUNY and CUNY fund raising efforts in another context, we also compared their fund raising results for fiscal year ended 1995 to those of peer institutions. We found that SUNY's performance, in general, and CUNY's in some instances, tended to lag behind that of peer institutions.

SUNY regards certain institutions as its development peers (called the Eastern Cohort) and others as academic peers (called the National Cohort). SUNY's development peers are those that share similar fund raising characteristics and activities. The Eastern Cohort comprises campuses located in eleven northeastern states (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont) that reported their fiscal year ended 1995 fund raising statistics to the CAE. The National Cohort comprises all campuses that reported their fund raising statistics to the CAE for the fiscal year ended 1995.

CUNY does not have a central source of data about fund raising results and does not compare CUNY campuses' fund raising performance with that of any other institutions. Therefore, the information we report for CUNY represents the collective fund raising results, as reported to us, by the 13 CUNY campuses in our study survey and computed by using CAE definitions of voluntary support. CUNY officials told us that CUNY has no true development peers. However, we believe that comparing CUNY to SUNY's peers provides for a fair and reasonable comparison of their respective fund raising efforts and results. CUNY's academic peers are those institutions that were regarded, either by CUNY officials or by our staff, as generally similar to CUNY. These institutions are: Rutgers University, University of California at Berkeley, University of California at Los Angeles, Indiana University, Ohio State University, University of Maryland, University of the District of Columbia, State University of New York at Binghamton, and State University of New York at Buffalo.

Institutions of higher education fall into a variety of categories, from technical colleges to large university centers. Because campuses that serve significantly different numbers and types of students can realize very

different fund raising results, we made our comparisons according to campus type. SUNY's *Development 1995* reports results according to four broad campus types:

- research/doctoral, or R/D (institutions that offer a full range of baccalaureate programs, are committed to graduate education through the doctoral degree and give high priority to research);
- masters/comprehensive and liberal arts, or MC/L (institutions that offer a full range of baccalaureate programs and are committed to graduate education through the master's degree and institutions that emphasize baccalaureate programs only);
- specialized colleges, or SP (institutions that emphasize degrees awarded in specialized programs); and
- agricultural and technical, or 2 Yr. (institutions that offer two-year degrees).

For the sake of simplicity, we show the comparison of SUNY and CUNY fund raising results together in Table 2 which follows. We compared SUNY and CUNY to their development and academic peers by campus type, for fiscal year ended 1995 using averages for dollars raised as a percentage of general and educational (G & E) expenditures. This fund raising index is one that is traditionally used and reported by development professionals. The data we show for SUNY was taken from SUNY's *Development 1995* report, which SUNY derived from information reported to the CAE, and which is published in the CAE's *Voluntary Support of Education 1995*. The results we show for CUNY were compiled from the data received from our survey and campus visits.

Table 2

Dollars Raised as a Percentage of General and Educational Expenditures - 1995

Campus Type	National Cohort (Academic Peers)	Eastern Cohort (Development Peers)	SUNY	CUNY
Research/Doctoral	7.2%	5.2%	2.7%	6.2%
Masters Comprehensive/ Liberal Arts	3.8%	2.3%	1.8%	3.0%
Specialized Colleges	6.9%	N/A	1.3%	.7%
Agricultural and Technical	2.2%	N/A	1.1%	None

* "N/A" (Not Applicable) indicates that too few institutions in that category reported to the CAE to obtain a meaningful average.
"None" for CUNY indicates it has no schools in this category.

As shown in Table 2, SUNY's fund raising results in terms of dollars raised as a percentage of general and educational expenditures are less successful than those of its development and academic peers for all types of campuses in the SUNY system. CUNY's performance is better than that of its development peers at research/doctoral and masters/comprehensive campuses. However, CUNY's performance lags behind that of its academic peers at all types of campuses.

As shown in Table 3, we compared SUNY only to its academic and development peers for dollars raised per enrolled student. This fund raising index is one that is also traditionally used and reported by development professionals. CUNY officials told us that, since they have a large number of part-time students, using an index that relied on a headcount, as this one does, would result in a flawed comparison for CUNY.

Table 3

Dollars Raised Per Enrolled Student-1995

Campus Type	National Cohort (Academic Peers)	Eastern Cohort (Development Peers)	SUNY
Research/Doctoral	$1,060	$809	$493
Masters Comprehensive/ Liberal Arts	272	183	185
Specialized Colleges	4,371	N/A	997
Agricultural and Technical	82	N/A	127

* "N/A" (Not Applicable) indicates that too few institutions in that category reported to the CAE to obtain a meaningful average.

As shown in Table 3, SUNY trails its fund raising and academic peers in dollars raised per enrolled student for Research/Doctoral and Specialized campus types. SUNY exceeds the dollars raised for enrolled student for Masters Comprehensive/Liberal Arts and Agricultural and Technical campuses.

It is important to recognize, however, that we are making these comparisons and assessments based on statistics reported to CAE. Since reporting is voluntary, those higher education institutions that have raised relatively little in private funds may not report their results to CAE. Therefore, CAE data may overstate the actual average of fund raising results experienced by all institutions nationwide. We commend SUNY for requiring its campuses to report their results to CAE, regardless of performance.

Comparison Among Individual SUNY and CUNY Campuses

SUNY and CUNY are both large university systems whose individual campuses vary in size, enrollment, campus type (as defined above) and location. Individual campuses' fund raising results also vary considerably. Table 4, which follows, lists the 29 SUNY State-operated campuses in order of total fund raising dollars received in fiscal year ended 1995.

Table 4

SUNY Private Fund Raising 1995
By Total Giving

Campus	Campus Type	Total Giving
1. Buffalo University	R/D	$15,116,095
2. Stony Brook	R/D	9,515,464
3. Albany	R/D	5,812,876
4. Binghamton	R/D	4,111,723
5. Purchase	MC/L	2,674,488
6. Syracuse Health Science Center	SP	2,464,653
7. Environmental Science and Forestry	MC/L	2,097,813
8. Buffalo College	MC/L	1,579,568
9. Utica/Rome Technology	MC/L	1,195,434
10. Potsdam	MC/L	1,105,627
11. Plattsburgh	MC/L	1,084,942
12. Geneseo	MC/L	1,069,883
13. New Paltz	MC/L	1,032,602
14. Morrisville	2 Yr.	1,006,168
15. Fredonia	MC/L	944,562
16. Oswego	MC/L	885,863
17. Empire State	MC/L	686,449
18. Brockport	MC/L	597,791
19. Oneonta	MC/L	571,667
20. Maritime	MC/L	506,796
21. Cobleskill	2 Yr.	424,901
22. Cortland	MC/L	371,027
23. Delhi	2 Yr.	329,247
24. Brooklyn Health Science Center	SP	327,568
25. Optometry	SP	278,620
26. Alfred	2 Yr.	265,480
27. Canton	2 Yr.	254,538
28. Farmingdale	2 Yr.	121,777
29. Old Westbury	MC/L	119,091
Total		$56,552,713

Shown in Table 5 are the total fund raising dollars for the fiscal year ended 1995 reported to us by the 13 CUNY campuses we surveyed.

Table 5

CUNY Private Fund Raising 1995
by Total Giving

Campus	Campus Type	Total Giving
1. Hunter	MC/L	$8,998,418
2. City College	MC/L	4,845,809
3. Queens	MC/L	4,764,952
4. Graduate School	R/D	4,297,814
5. Lehman	MC/L	2,806,350
6. Brooklyn	MC/L	2,770,327
7. Baruch	MC/L	2,341,572
8. New York Tech	SP	552,445
9. Staten Island	MC/L	503,119
10. John Jay	SP	352,841
11. York	MC/L	271,151
12. Law School	SP	125,816
13. Medgar Evers	MC/L	109,950
Total		$32,740,564

As seen from the results listed on these tables, there is a wide range of success between the individual SUNY and CUNY campuses in their fund raising results. For example, while the University at Buffalo and Hunter College were relatively successful, raising over $15 million and almost $9 million, respectively, Old Westbury and Medgar Evers raised only about $119,000 and $110,000, respectively. Some of this variation is almost certainly attributable to the basic campus differences noted above. However, we believe that the varying levels of fund raising success are influenced, in part, by the extent to which individual campuses employ

what development professionals consider to be the best practices of private fund raising. We discuss these best practices in the next section of our study.

Using Best Practices to Improve Fund Raising Results

Research has not established formal guidelines for institutions of higher education to follow to be successful at fund raising. According to a 1990 report entitled, *The Campus Green: Fund Raising in Higher Education*, research on the effectiveness and efficiency of fund raising practices is lacking. Furthermore, we did not find a formal set of recommended practices established for private fund raising. However, as a result of our discussions with college officials, our contact with development professionals and our research into fund raising practices, we noted certain practices that were consistently associated with successful fund raising programs. We encourage SUNY and CUNY officials to carry out the "best practices" that we discuss in detail in this section to improve their fund raising results.

Fund Raising Best Practices

Our study identified the following "best practices" for institutions of higher education to use in raising private funds:

- make a commitment of staff and resources;
- have or obtain significant experience in fund raising;
- maintain adequate alumni and donor records;
- pursue prospect research for donations and major gifts;
- carry out an annual fund;
- set up a planned giving program; and
- promote good relations with corporations and foundations.

Our study examines SUNY and CUNY performance in each of these best practice areas. Further, since our study found that CUNY Central Administration has had limited involvement in campuses' fund raising efforts, we also examined the potential benefits of two other best practices as they relate specifically to CUNY:

- coordinate fund raising efforts; and

- increase the support of the president and involvement of the board of trustees.

Response of CUNY Officials to Study: CUNY officials responded that coordination of fund raising activities is one of the charges assigned to the Director of Development. CUNY officials stated that, in contrast to SUNY, CUNY fund raising responsibilities include programs that run on all or several campuses. Therefore, even greater coordination with college efforts may be necessary. CUNY officials also agreed that involvement at the highest levels of governance is a "best practice" for fund raising. They added that this applies not just to CUNY, but to every not-for-profit institution.

It is important to note that a program's use of such best practices will likely increase, but will not guarantee, the success of development efforts. Other variables can impact fund raising results. For example, in *The Campus Green: Fund Raising in Higher Education*, the authors note that fund raising itself is as much an art as it is an administrative function; the nature and quality of fund raising techniques, such as person-to-person transactions, can affect fund raising success. Further, other experts in the field of fund raising note that the characteristics of the institutions themselves (e.g., their prestige, their age and size, the number of alumni, the importance of research) and the contexts in which they operate (e.g., the health of the local economy, the wealth of area residents and their willingness to give, and the existence of alumni ties to corporations and foundations) can also impact fund raising results. However, it is also important to emphasize that adopting fund raising best practices can only improve the current level of fund raising success; adverse factors may simply limit the amount of the additional funds an institution can raise.

Response of CUNY Officials to Study: In responding to the study, CUNY officials commented that each of the best practices discussed in the study must be in place before ambitious fund raising endeavors are implemented.

1. Make a Commitment of Staff and Resources

In *The Campus Green: Fund Raising in Higher Education*, the authors note that when institutions make fund raising efforts a priority, that choice is reflected in the size of their development office's staff and budget. Through our research of fund raising practices, we found that there is no rule of thumb institutions can use to predict the exact return they can expect for each development staff hired and every investment in other

resources (like computer hardware and software, training courses and adequate travel budgets) for development efforts. However, it is reasonable to conclude that the more people an institution commits to development efforts, the more effective the development office can be in carrying out all the various best practices we discuss in the remainder of this section. We discuss the issue of staff and resources first in this section because without sufficient personnel, a development office cannot undertake many of the best practices the top twenty fund raisers use, and development professionals recommend.

While no standard correlation exists between the number of staff an institution commits to development and the amount of private funds it can raise, it is useful to examine the extent of resources applied to development by a very successful fund raising public institution, the University of California at Berkeley.

The University of California at Berkeley (Berkeley), a research/doctoral institution, is part of a nine-campus system funded by the State of California. Each campus has its own fund raising program. According to the CAE, Berkeley raised $103,088,570 in 1995, ranking it 18th out of the top 20 fund raisers for that year. Berkeley also reported to the CAE that it had an enrollment of 29,634 students in 1995. According to the Vice Chancellor for University Relations at Berkeley, Berkeley is the most successful of the nine campuses in its private fund raising endeavors. The Vice Chancellor said that private fund raising activities began in 1975, but that the program was strengthened in 1983-1984. He also told us that approximately 56 staff are dedicated to fund raising activities and that the fund raising budget for Berkeley averages about $12 million per year. He further stated that Berkeley has a central development office with five functional areas: major gifts, annual fund programs, corporate/foundation relations, planned gifts and international fund raising. Eight full-time staff are also dedicated to researching prospective major donors.

The State University of New York at Stony Brook (SUNY Stony Brook), also a research/doctoral institution, had an enrollment of about 17,600 students in 1995. SUNY Stony Brook reported to the CAE that it raised $9,515,464 in private funds in 1995. This total made SUNY Stony Brook the second largest fund raiser for all the SUNY campuses in 1995. To accomplish this level of success, SUNY Stony Brook fund raising officials told us that approximately 13 staff were dedicated to fund raising activities, and that its fund raising budget was about $900,000 in 1995. SUNY Stony Brook told us that its fund raising programs began in the late 1970s,

and began to reach a level of maturity in the 1990s. One full-time staff is dedicated to researching prospective major donors.

These illustrations of fund raising efforts and results may not clearly define what "sufficient" staff might be for every system of higher education, or for every campus in such a system. However, we believe it is only reasonable to conclude that, unless an institution's development office has enough staff to implement the best practices discussed in this section, the office will not be as successful as it could be. In short, an institution has "sufficient" staff when its development office can carry out all these practices.

We used our survey questionnaire to find out how many staff all 29 individual SUNY campuses commit to fund raising, and to what extent campus officials believe staff numbers affect their fund raising capabilities. In response, eleven SUNY campuses specified that their fund raising efforts are hindered by what they believe is inadequate staffing. Eleven of the 29 campuses reported that they have staffing levels of one to three full-time equivalent employees in their fund raising offices. One campus (Brooklyn Health Science Center) reported it does not have a fund raising program and does not have any staff dedicated to fund raising. Thirteen campuses reported that they have no plans to alter their levels of staffing for fund raising and one campus plans to decrease staffing.

When we questioned campus officials at CUNY colleges about this issue, we found that 11 campuses also responded that they have insufficient levels of staffing and funding for development efforts. For the 1995/96 CUNY fiscal year, the thirteen CUNY campuses we surveyed had a total fund raising budget of about $4.1 million, or an average of $313,000 per campus. Many campuses reported that fund raising staff have other responsibilities that take time away from fund raising. Six of the CUNY campuses reported that they have no plans to add to their fund raising staff, and three plan to decrease their staff. Eleven of the campuses reported that their development office staffing has been subject to losses due to budget cuts, layoffs and attrition. Campus fund raising personnel believe that loss of staff is an indication of the campuses' lack of support for development.

In *The President and Fund Raising* by James L. Fisher and Gary H. Quehl, the authors give the following assessment of the need to dedicate staff to raising funds, despite the costs involved in doing so. "It is easy to understand, especially in difficult times, why institutional leadership may

find it difficult to fund a development (fund raising) program adequately, given faculty needs and other priorities. However, not to fund it adequately is extremely short-sighted because that limits the overall resources that the institution can generate." We concur with the authors' assessment. In our opinion, SUNY and CUNY cannot reach their full fund raising potential until they dedicate adequate staff resources to the task.

2. Have or Obtain Significant Experience in Fund Raising

In *The President and Fund Raising*, the authors note that institutions that have a substantial history in conducting fund raising have built and maintained a fund raising culture. Over time, they have fostered understanding and support of fund raising among their faculty, staff, students, alumni, parents and community. In SUNY's *Development 1995* report, a SUNY fund raising official also notes that fund raising is an incremental process. Results are built upon the achievements of earlier years. It takes time to cultivate and receive support.

Many SUNY and CUNY campuses have only recently begun fund raising programs. This short history in fund raising puts them at a disadvantage compared to universities like Indiana University (ranked as 14th out of the top twenty colleges reporting the most voluntary support in 1995) that have had fund raising programs for many years. Indiana University officials told us that their fund raising program began back in the 1930s. SUNY officials from System Administration and numerous campuses told us they were not encouraged or expected to engage in fund raising before the late 1970s. One CUNY official told us that CUNY, as a public institution, should not be encouraged to do private fund raising. Another CUNY official believes that the college does not raise funds due to a fear that the State will cut its funding. This kind of mind set, at both SUNY and CUNY, may have been a factor that tended to discourage or delay a serious commitment to fund raising.

We believe that SUNY and CUNY need to build a fund raising culture to establish a sense of expectation, or a tradition of giving to their institutions. Private fund raising may not have been considered necessary in the past because the State (and City, for CUNY) were able to pay for most operating costs. Numerous SUNY and CUNY campus officials told us that many people still believe that government provides for most, if not all, of their institutions' financial support. Officials acknowledged that they must inform potential donors that government funding has decreased and

will probably continue to do so, making their donations essential. Some SUNY campuses have already begun to send this message to potential donors. However, we believe that SUNY and CUNY campuses must make a greater effort in this area.

3. Maintain Adequate Alumni and Donor Records

An institution should work to maintain up to date alumni records with at least a current address and phone number. In *The President and Fund Raising*, the authors note that about 25 percent of an institution's alumni may move in a year's time, so the potential for losing track of alumni is great. The cost of losing them is greater, however, because a strong alumni base is essential to most development programs.

Major donor and prospective major donor records need to include the kinds of information necessary to cultivate, and ultimately solicit a large gift. The amount of data needed can be substantial. The data should include biographical information, gift history information, business and professional relationship data, family relationship data, personal interest data, and key indicators of wealth (e.g. value of home(s) and other real estate, philanthropic experiences, stock holdings, memberships, etc.). Development staff must conduct research to gather much of this information.

The state of alumni and other donor records is generally tied to the length of time an institution has been involved in fund-raising. An established program has most of the necessary data in place, and must simply update it periodically. However, a new program may have little constituent data, and must start from the beginning to create it.

Many SUNY campuses did not start fund raising programs until the early 1980s. The history of SUNY's fund raising programs ranged from none at Brooklyn Health Science Center to 34 years at SUNY Buffalo University. Also, many campuses had not dedicated the resources needed to maintain alumni contacts (having had no compelling reason to do so). Therefore, these campuses had to start creating adequate alumni and donor records. Six of the eight SUNY campuses we visited told us that they are in the process of, or have just finished, establishing an alumni database of basic information (current addresses and phone numbers). On average, the campuses have basic information on around 77% of alumni. Five campuses do not have fund raising software to track alumni and potential

donor information. Eleven campuses have fund raising hardware/software which is inadequate for their needs.

Although 11 of the CUNY campuses we surveyed reported having a little more than fifty percent of their alumni records available, two of the 11 do not know how reliable they are for fund raising purposes. Previously, the campuses did not use the records for fund raising and had no incentive to maintain them or ensure that the addresses were current. Three campuses did not have fund raising software to track alumni and potential donor information. Two had problematic software or antiquated hardware which could not utilize the modern software. CUNY campuses cannot contact alumni and potential donors until basic and current data is obtained and maintained.

4. Pursue Prospect Research for Donations and Major Gifts

In the Survey Course on Fund Raising by the National Society of Fund Raising Executives (NSFRE), prospecting for donors is noted as a critical component of a successful development effort. Prospect research is the process of identifying, interviewing, and involving persons and organizations with the potential to become major donors to an organization.

The authors of *The President and Fund Raising* note that it is important to have specially trained people performing much of this work because information is needed above and beyond that normally found in constituent files. The staff must have access to and know how to use various types of research materials. These include society publications, business magazines, newspapers, investment information (stock holdings, properties, etc.), business and professional relationship data, family relationship data, giving history, personal interest data, memberships and other biographical data. A well-targeted research library and on-line search capabilities are essential to obtain such information. It may even be possible to better focus on-line searching efforts to obtain the information from fewer sources at an overall lower cost basis. The goal is to collect enough information to determine how to make an effective connection with each prospect.

Only five out of the 29 SUNY campuses we surveyed have at least one full-time person dedicated to prospect research. Eight additional campuses indicated that they have a less than full-time person dedicated to this task. Five of the 13 CUNY campuses and their affiliated foundations surveyed have at least one person dedicated to prospect research full-time. These

five were among the top six CUNY campuses in fund raising. Four additional campuses indicated that they have one person working part-time on prospect research. Although SUNY and CUNY campus officials generally recognize the importance of a prospect researcher, they told us that they do not have the additional funding to hire such a staff person or provide the necessary materials (research materials, on-line search capabilities, etc).

Tied closely into the prospect research function is the major gift area, staffed by an individual or individuals with responsibility for identifying, cultivating, soliciting, and maintaining major donor prospects. A major gift officer is responsible for establishing means and devices for identifying major donor prospects, researching them and developing cultivation plans and ensuring that they are carried out. A major gift officer is also responsible for determining when it is time to solicit, and then to develop the solicitation strategy. This includes determining the purpose of the gift, size of request, and who will solicit.

Nineteen of the 29 SUNY campuses indicated through our survey questionnaire that they have a major gifts program in place. According to SUNY's 1995 fund raising data, 18 of the 28 SUNY campuses (one campus did not maintain major gift records) received less than 10 major gifts (a major gift constitutes a donation of $5,000 or more). The lack of a full-time prospect researcher at many of these campuses prohibits the major gift program from meeting its full potential.

Four of the CUNY campuses indicated that they have a major gifts program in place. We believe that CUNY should consider establishing major gift programs at all of the campuses to realize substantial gains from fund raising efforts.

5. Carry Out an Annual Fund

NSFRE defines annual giving as the primary fund raising method used to broaden support, upgrade giving levels, and increase donor retention. Most organizations starting a fund raising program begin with an annual fund. An annual fund program may be designed to raise unrestricted funds only to meet immediate operating needs, or may also include restricted giving to specified purposes. The annual fund program brings in mostly small gifts from many donors. The methods used include mail campaigns, and phone campaigns using volunteer and/or paid callers. The annual fund is an important means of identifying and cultivating donors

who may be sources for major gifts. The authors of *The President and Fund Raising* note that a successful annual fund demands adequate staffing, effective planning, effective caller recruiting and training, adequate budget, technical support, accurate and timely donor records and the support and involvement of the campus president.

Twenty-eight of the 29 SUNY campuses we surveyed indicated that they have an annual fund program, with staff dedicated to such program. The Health Science Center at Brooklyn, without a fund raising office, is the only campus that indicated it does not have an annual fund program. Since this campus is the site of a major medical school, the absence of development capability of any kind could represent a significant loss in fund raising potential.

Nine of the 13 CUNY campuses that responded to our survey indicated that they have an annual fund program, with staff dedicated to such program. We believe that both SUNY and CUNY should establish annual fund programs at those campuses that currently do not utilize this primary fund raising method.

Response of CUNY Officials to Study: CUNY officials responded that an annual fund is important, but it is far from sufficient. Officials emphasized the need for focus on major gifts and planned gifts.

Auditor Comments: We concur with the CUNY response.

6. Set Up a Planned Giving Program

According to the Survey Course on Fund Raising by NSFRE, planned giving is the integration of sound personal, financial, and estate planning concepts with the individual donor's plans for lifetime giving. The purpose of planned giving for the institution is to secure larger gifts and to increase the future stability of fund raising success. Planned giving is attractive to donors because these vehicles can involve certain tax advantages. For example, a life estate contract allows a donor who owns a personal residence or a farm to receive current income tax reductions for a future gift. Bequests and other planned giving have become a more important source of long-term revenue for organizations over the last 15 years, in part because organizations can no longer count on receiving corporate gifts, as they had been able to do in the past. Development professionals agree that a significant growth area in fund raising will be in planned gifts from individuals.

Nineteen of the 29 SUNY campuses indicated through our survey questionnaire that they have a planned giving program. Many of the campuses we visited send out brochures on planned giving to potential donors, and some also sponsor planned giving seminars. However, seven SUNY campuses reported receiving no planned gifts in 1995. (Three additional campuses did not maintain planned giving records.)

Only five of the CUNY 13 campuses indicated that they have a planned giving program. To make significant gains in its development profile, CUNY should encourage campuses to make greater use of planned gifts in their fund raising strategies.

7. Promote Good Relations with Corporations and Foundations

Cultivation, maintenance of relationships, and stewardship are as important for corporate giving as they are for individual fund raising. Corporations give to institutions for their own self-interests. For example, there is an interdependent relationship between the institutions' need for money to produce educated people and the corporations' need for educated people to produce money. Institutions should be aware of their own current and potential ties with particular businesses through placement services, alumni, employees, student internships, and faculty consulting.

The authors of *The President and Fund Raising* note that research must be conducted to discover foundations with funding interests that match a program's nature and needs. After that, an effective cultivation program must be implemented. Most foundations do not make gifts to institutions unless they know them quite well. The authors of *The Campus Green: Fund Raising in Higher Education* further observe that foundations appear to have conservative interests, tending to follow the lead of other, larger foundations.

Sixteen of the 29 SUNY campuses indicated through our survey questionnaire that they have a corporate gifts program and 13 have a foundation gifts program. Many of the campuses we visited indicated that the competition for donations from corporations and grants from foundations is fierce because New York State has many private institutions to compete with for the same monies. According to the September 1995 issue of *The Chronicle of Higher Education*, there are 314 colleges and universities in New York State, of which 226 (72%) are private. In other words, there is much competition for corporate support from institutions which have traditionally claimed the largest share of private funds. Therefore, it is

very important for institutions like SUNY to cultivate the support of these donors by establishing corporate and foundation gift programs.

Only two of the CUNY campuses indicated that they did not have either a corporate or foundation gifts program. CUNY officials indicated that, like SUNY, they feel that they are competing with New York State's many private institutions for donations from corporations and foundations.

Two Additional Best Practices

As noted earlier in this section, and elsewhere in our study, CUNY Central Administration has had limited involvement in CUNY campuses' fund raising efforts. Therefore, individual campus development offices manage their own fund raising, with varying degrees of success, without being able to compare their results to those of other CUNY colleges, or find out how to improve these results. During our discussions with CUNY campus officials, some indicated that they believed central coordination of fund raising efforts would be very helpful. We agree with them. Other officials also suggested that increased support of the president and involvement of the Board of Trustees at their institutions would enhance their fund raising efforts. The following two "best practices," then — while certainly good advice for SUNY and for all institutions of higher education — are included here to address concerns expressed to us by CUNY campus officials.

8. Coordinate Fund Raising Efforts

Each CUNY college has or is establishing a separately incorporated foundation for fund raising purposes. Some CUNY colleges have as many as three not-for-profit foundations for fund raising. CUNY Central Administration did not receive an annual financial report from these foundations or other fund raising entities at campuses (like alumni associations), even though they are the main vehicles for private fund raising at CUNY. Central Administration does maintain a University Trust and Gift Account for all restricted funds over a certain amount that come directly to CUNY colleges (rather than the foundations). However, it did not maintain information on the total funds raised through private gifts to foundations and associations.

CUNY Central had not been actively involved in fund raising practices of the individual CUNY colleges. It had not coordinated fund raising plans, provided fund raising information on a systematic basis or provided ongoing training and support to enhance the colleges' fund raising

capabilities. CUNY had sponsored an all-day Development Conference in October 1994.

We believe it is important for CUNY Central Administration to establish an office to coordinate development efforts and facilitate networking among the CUNY schools. This office could also be a contact point for centrally purchasing membership in fund raising organizations. A central development office may also be helpful in obtaining funding from national organizations that are not interested in funding individual schools, but may be interested in funding school systems.

The establishment of a central development office also shows the administration's commitment to private fund raising as a function of university-wide interest. The Vice Chancellor for University Relations at the University of California at Berkeley, a public institution listed by CAE as the 18th most successful fund raiser in 1995, stated that not only must development be strongly supported by the administration, but that it (development) is one of the most important things the University Chancellor does. We believe the involvement and support of CUNY Central Administration could act to enhance the image of the entire system, and contribute greatly to the success of each college's fund raising efforts.

Response of CUNY Officials to Study: CUNY officials pointed out that a half-day, CUNY-wide development conference was held on November 5, 1997. In addition, CUNY officials stated that prior to this date, the Director of Development met individually with college chief development officers and continues to confer with each of them on a regular basis. Similar CUNY-wide conferences are to be held once each semester. CUNY officials reported that since April 1997, a University Director of Development has been hired and efforts including successful solicitation of scholarship funds, cultivation of potential private donors, and collaboration with colleges on University-wide development initiatives have taken place.

Auditor Comments: We commend CUNY for these efforts.

9. Increase the Support of the President and Involvement of the Board of Trustees

In responding to our survey question as to the major reasons for its success in fund raising, one of the top public universities in fund raising stated "great leadership from the president." This element in successful fund raising allows all the other elements to take place. The Vice

Chancellor for University Relations of the University of California at Berkeley told us that everyone is involved in fund raising at his university system, from the chancellor to the alumni volunteers.

There were many mixed responses to our question about the level of support development received from top CUNY campus officials. No officials were actually willing to state that they did not have the support of the campus president. However, one high level campus official stated that it was not the task of the schools to raise funds for brick and mortar. He said that CUNY is a public system and should be funded by government funds. Some campus officials did note that upper level support has increased over the past couple of years.

To increase the effectiveness of fund raising efforts, the Board of Trustees of the affiliated foundations should have dedicated members who are very involved in all development aspects of the school. According to CUNY officials from two of the three top fund raising campuses, it is also helpful to have Board members with good name recognition who can add prestige to fund raising efforts. However, only four CUNY campuses indicated they have Board of Trustee members who are very involved in the development aspects of the school.

Response of CUNY Officials to Study: CUNY officials responded that involvement at the highest level is a "best practice" and is necessary to garner major gifts. CUNY is researching the patterns of Central Office staffing and Board involvement at major public universities in order to propose a structure for CUNY.

SUNY officials have advised us that SUNY's Board of Trustees have set a development goal of $100 million annually by the year 2000. In addition, the SUNY University Relations Office expects to hire a professional fund raising firm to assist the campuses with meeting the Board's goal.

Conclusion

We believe that both SUNY and CUNY can improve their fund raising efforts to obtain better results. SUNY and CUNY are, respectively, the first and third largest systems of comprehensive higher education in the nation, and should be competitive with other colleges and universities in the nation in their efforts to raise private funds. SUNY and CUNY must marshall their resources to establish development programs that can maximize this additional, but important source of funds. The greater the amounts of private funds SUNY and CUNY campuses have at their disposal, the greater the opportunities they will have to achieve excellence.

Issues for Consideration

SUNY System Administration

1. SUNY System Administration should consider encouraging all its campuses to carry out the fund raising best practices identified in this study.

SUNY Campuses

2. SUNY campuses should consider pursuing the following steps to improve fund raising performance:

   - make a commitment to fund raising by providing the resources to support the necessary fund raising programs;
   - make campus fund raising efforts an institutional priority; and
   - strive to meet the private fund raising averages of their development and academic peers.

   (SUNY officials responded that they will undertake some immediate and some long-term steps to facilitate greater private giving to the campuses. Their plans include providing a Development Manual that details development guidelines, procedures and recommendations. SUNY officials also indicated that the University has set a goal of raising $100 million in annual fund raising by the year 2000 and that System Administration is poised to assist the campuses where needed to help meet this goal.)

CUNY Central Administration

3. CUNY Central Administration should consider carrying out the following steps to improve fund raising results:

   - establish a central development office as a resource of fund raising ideas and information for all CUNY campuses;
   - provide campuses with the needed resources to fund development programs;
   - provide leadership and guidance to CUNY campuses in the area of private fund raising;

Issues for Consideration (continued)

- ensure that each CUNY campus has at least one full-time staff dedicated to development at all times;
- require campuses to report the results of private fund raising, from all sources, to a central development office; and
- encourage all CUNY campuses to carry out the fund raising best practices identified in this study.

CUNY Campuses

4. CUNY campuses should consider working together effectively to raise private funds.

5. CUNY campuses should strive to meet the fund raising averages of their development and academic peers.

   (CUNY officials responded that its newly created Office of Development will be a resource of fund raising ideas for all CUNY campuses, and it will consider the best ways to provide the campuses with the resources they need to fund development programs. Officials acknowledged the importance of coordination of campus efforts to identify prospects for multi-campus projects and avoid sending competing proposals to corporations and foundations. CUNY officials also indicated the Office of Development will be responsible for collecting fund raising data from the campuses and reporting the data to national associations, such as CAE.)

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Appendix A

STATE UNIVERSITY OF NEW YORK

SERVICE, PRIDE & EXCELLENCE

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UNIVERSITIES
University at Albany
Binghamton University
University at Buffalo
University at Stony Brook

COLLEGES
Brockport
Buffalo
Cortland
Empire State College
Environmental Science and Forestry
Farmingdale
Fredonia
Geneseo
Institute of Technology at Utica/Rome
Maritime
New Paltz
Old Westbury
Oneonta
Optometry
Oswego
Plattsburgh
Potsdam
Purchase
Ceramics at Alfred University
Agriculture/Life Sciences at Cornell University
Human Ecology at Cornell University
Industrial/Labor Relations at Cornell University
Veterinary Medicine at Cornell University

HEALTH SCIENCE CENTERS
HSC at Brooklyn
HSC at Syracuse

COLLEGES OF TECHNOLOGY
Alfred
Canton
Cobleskill
Delhi
Morrisville

COMMUNITY COLLEGES
Adirondack
Broome
Cayuga
Clinton
Columbia-Greene
Corning
Dutchess
Erie
Fashion Institute of Technology
Finger Lakes
Fulton-Montgomery
Genesee
Herkimer County
Hudson Valley
Jamestown
Jefferson
Mohawk Valley
Monroe
Nassau
Niagara County
North Country
Onondaga
Orange County
Rockland
Schenectady County
Suffolk County
Sullivan County
Tompkins Cortland
Ulster County
Westchester

March 16, 1998

Mr. Jerry Barber
Audit Director
Office of the State Comptroller
The State Office Building
Albany, New York 12236

Dear Mr. Barber:

In accordance with Section 170 of the Executive Law, we are enclosing the comments of SUNY System Administration regarding the Staff Study on Private Fund Raising at the State University of New York and the City University of New York (96-D-1).

Sincerely,

Donald G. Dunn

Donald G. Dunn
Executive Vice Chancellor

Enc.

Appendix B

State University of New York
City University of New York
Staff Study: Private Fund Raising
at SUNY and CUNY
96-D-1

Issues for Consideration, page 27

State University of New York System Administration Comments

1. The University Relations Vice Chancellor along with the Chief Advancement Officers'(CAO) Development Sub-Committee have agreed to undertake some immediate and long-term steps to facilitate greater private giving to the campuses. Within the next several months a new Annual Development Report will be developed with the goal of improving procedures for reporting development and increasing the speed of reporting. Next the campuses have decided to work with System Administration to develop a comprehensive manual of administrative guidelines as recommended by the CAO Development Sub-Committee. The manual will include policies and procedures as they relate to various items such as foundation by-laws and committee structure, administrative expenses, funding development positions and other development office administrative rules. In addition, a Development Manual will be produced shortly that details development guidelines, procedures and recommendations as they relate to various items such as trustee giving, corporate giving, alumni giving and finally planned giving. Finally, the Office of University Relations along with the Development Sub-Committee will design and implement Development Forums for SUNY presidents, development officers, trustees, and council members. Workshops like the one held last fall at SUNY Geneseo will concentrate on administrative and development guidelines and provide the presidents and development officers the opportunity to articulate development goals and objectives for the coming academic year.

2. The State University of New York, Board of Trustees adopted in 1996 a resolution setting the goal of annual private giving to reach $100 million by the year 2000. In 1995 annual giving to the State University campuses totaled approximately, $68 million. For 1996 we saw an increase totaling approximately $75 million. The campuses are enthusiastic about reaching the $100 million goal by the year 2000. System Administration is poised to assist the campuses as they determine where our assistance is strategic. The Chief Advancement Officers organization, (CAO) is the vehicle for System Administration to serve the campuses. The CAO Development Sub-Committee is working vigorously to provide the necessary elements to the campuses to improve their private giving. The Governor's 1998-99 Executive Budget contains a 5 Year - $100 million Capital Match Program. The program is designed to supplement the $2 billion multi-year capital construction program. The Capital Match Program will include all sectors of the University and already has campuses identifying donors in order to qualify for a matching gift. In addition, the State University

is pursuing legislation to establish an Eminent Scholars Program that would be used to attract and keep renown scholars in varied disciplines who would be interested in teaching at anyone of our campuses. The Eminent Scholar Program will require state dollars that would then be matched by the campuses. The campuses have generated much legislative interest in the legislation and are eager to see it enacted so they may begin gathering private support for this invaluable program.

The City University of New York
535 East Eightieth Street
New York, New York 10021

The Chancellor

February 18, 1998

OFFICE OF THE STATE COMPTROLLER
FEB 25 1998
ROBERT H. ATTMORE
DEPUTY COMPTROLLER

Mr. Jerry Barber
Audit Director
Office of the State Comptroller
A.E. Smith State Office Building
Albany, N.Y. 12236

Dear Mr. Barber:

I read with great interest the draft report of the Office of the State Comptroller on private fund raising at SUNY and CUNY. You are to be commended for the attention given to this issue which will take on greater importance at The City University of New York in the months ahead.

I appreciate your request for comments before the final report is issued, and mine, on behalf of CUNY, will fall into two categories. First, we would like to correct some inaccuracies in the report. Second, we would like to respond to your specific suggestions, or "issues for consideration."

With respect to inaccuracies:

1) We would like your final report to state forthrightly that CUNY has a central Office of Development. A Director was hired in late April of last year, after a nationwide search conducted by the Vice Chancellor for University Relations. This initiative was detailed in the correspondence sent to your office on September 29, 1997, including an Activities Report (Attachment A).

* Note

2) Contrary to your statement that development officers at CUNY have not met together since 1994, a half-day, CUNY-wide development conference was held on November 5, 1997. Prior to that date, the Director of Development met individually with college chief development officers, and she continues to confer with each of them on a regular basis. Similar CUNY-wide conferences will be held once each semester.

The program on November 5 included: 1) a presentation by the University Comptroller encouraging the college foundations to join the University's pooled investment fund; 2) a talk by the Executive Director of the Westchester Community College Foundation, who is also a

* See State Comptroller's Note, Appendix C-4

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member of the Executive Committee of the Chief Advancement Officers for The State University of New York, about effective fund raising at community colleges and how development officers at SUNY are sharing information; and 3) an opportunity for development officers to share information. More than 30 development officers, representing most CUNY campuses, were in attendance.

3) We question the private fund raising totals for our colleges in the fiscal year ending June 30, 1995, and note that some of our colleges communicated to you about possible inaccuracies after reviewing your previous preliminary report. (See Attachment B.) None of their comments seem to have been acknowledged in the draft before me.

The figures you list do not jibe with those in the college foundations' audited reports for FY '95, but then again these reports alone would not give a full picture. Most foundation and corporate monies raised by the colleges, faculty and program directors are accepted and managed by the CUNY Research Foundation. The comments from the colleges in response to your preliminary report suggest that some of the schools reported their private, philanthropic institutional support managed by RF to you, and others did not.

In any case, we are reviewing the best ways to record private and philanthropic dollars raised across the colleges, in an accurate and consistent manner. In the future, the Office of Development in conjunction with the Office of the Vice Chancellor for Budget and Finance will be responsible for gathering this data and reporting to national associations such as the Council for Aid to Education and the Association of Governing Boards of Universities and Colleges.

With respect to your recommendations, especially for CUNY (pp.14, 15):

1) Coordination of college fund raising activities--one of your recommended "best practices"--is one of the Director of Development's two charges. Between May and November, 1997 the Director met with development officers at each of our campuses to learn about their activities, staffing and resources, and to determine how the central office might help them. Among the recommendations from her review, in line with yours, were increased staffing levels and provision by the central office of appropriate resources and consultative services--prospect research, planned giving, and professional development workshops, for example--to bolster fund raising efforts all around in a cost effective way. We are considering the best ways to provide these resources and services.

As noted above, the development director maintains regular contact with college development officers. In addition, the Office of Development has published a directory of development personnel, so they can easily contact each other by e-mail, as well as phone and fax.

Moreover, in contrast to the central development office at SUNY, the CUNY office's fund raising responsibilities include programs that run on all or several campuses. To carry out this responsibility even greater coordination with college efforts may be necessary so that we can identify prospects for multi-campus projects and avoid sending competing proposals to corporations and foundations. In some cases only a University-wide proposal would be capable of garnering a significant gift, from a corporation, foundation or individual. In other cases the best approach may be from the campus level.

2) We agree with your recommendation that involvement at the highest levels of governance is a "best practice" for fund raising, but not just for CUNY. Indeed it is a "best practice" for every not-for-profit institution. In fact we would suggest that it is the single most important element in a successful development effort. The involvement of the Chancellor, college presidents, the Board of Trustees, college foundation trustees, and other high-level volunteers is necessary in order to garner major gifts from any source. The development director is now researching the patterns of central office staffing and Board and other high level volunteer involvement at major public universities to propose structures that can be put into place at CUNY.

3) We wonder why your report places so much emphasis on an annual fund, in contrast to major gifts and endowment. If you mean that developing a steady base of unrestricted support is important, we agree. We also agree that an annual fund is a basic, necessary element in an overall fund raising strategy. However, it is far from sufficient. Our understanding of "best practices" is that a long range, successful development strategy must focus on major gifts, including planned gifts. Focusing on an annual fund will leave you treading water, saved from drowning but without strength or stamina to reach the shore of long-term fiscal health. Rather than annual funds which may be quickly expended, the long-term fiscal health of any college is dependent upon building an endowment that will buffer it against the vicissitudes of the economy and other financial difficulties. Nevertheless, we agree that each of the "best practices" you describe must be in place before ambitious endeavors are implemented.

Again I thank you for this opportunity to comment on your draft, and for encouraging us to continue and strengthen our fund raising activities. We look forward to the final report, and when it is issued I plan to present your recommendations for discussion and review by our college presidents who are responsible for fund raising on behalf of their campuses.

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In the meantime, please call me if you have any questions about these comments or if my office can be of help to you in any way.

Sincerely,

Christoph M. Kimmich
Interim Chancellor

cc: State Comptroller Carl McCall
Vice Chancellor Jay Hershenson

Enclosure

State Comptroller's Note

Certain matters addressed in the draft report were revised or deleted from the final report. Therefore some agency comments included in Appendix C may relate to matters no longer contained in this report

Attachment A

The City University of New York

OFFICE OF INTERNAL AUDIT
535 East 80th Street, New York, NY 10021

212-794-5421
212-794-5696 (Fax)

September 29, 1997

Mr. Michael Solomon
Audit Manager
Bureau of Management Audit
Office of the State Comptroller
270 Broadway, 19th Floor
New York, New York 10007

Dear Mr. Solomon:

I write requesting that the attached comments be included with our response to your preliminary report of private fund raising practices at The City University of New York (Report No. 96-D-001). These comments were prepared by Vice Chancellor Jay Hershenson for the purpose of informing you about recent development efforts undertaken by the University since the April, 1997, hiring of a University Director of Development. These efforts included successful solicitation of scholarship funds, cultivation of potential private donors and collaboration with colleges on University-wide development initiatives.

I would appreciate the inclusion of these development efforts into your draft report. If you have any questions regarding this request, please call me at (212) 794-5421 or Mr. David Rankert at (212) 794-5406. Thank you for your cooperation.

Sincerely,

Louis Chiacchere

c: Vice Chancellor Richard F. Rothbard
Vice Chancellor Jay Hershenson
Ms. Joan Williams

The City University of New York

Office of University Relations 535 East 80th Street, New York, New York 10021
(212) 794-5317

MEMORANDUM

September 29, 1997

TO: Mr. David Rankert

FROM: Jay Hershenson, Vice Chancellor

RE: **Development**

As a follow-up to our discussions with the Office of the State Comptroller, the enclosed summary indicates progress since the end of April and since our conversation with the state auditors.

JH:kc

Enc.

CC: Mr. Louis Chiacchere

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OFFICE OF DEVELOPMENT - ACTIVITIES REPORT

(submitted by Renee Greene, Director, 9/26/97)

On April 23, 1997 I joined CUNY to set up a central development office with two major objectives:

- to raise funds, primarily from private sources, for multi-college and university-wide initiatives;
- to offer services from the central office that would boost development efforts at the colleges.

Listed below are activities the office of development has undertaken to date, and some planned or suggested future actions.

1) PRIORITY PROJECT SUPPORT

SCHOLARSHIPS

$1 Million Bequest: After a series of communications and lunch with the Chancellor, a 75 year old woman with no immediate family or past, formal connection to this institution named CUNY in her will. Plans for continuing cultivation are underway.

Grants: The Statler Foundation, a prospect identified and cultivated by the Office of University Relations in conjunction with NYC Technical College, awarded $80,000 ($20,000 in each of 4 years, contingent upon review) for hospitality management students.

One additional prospect is being pursued.

ALLIANCE FOR MINORITY PARTICIPATION (in conjunction with the Collaborative for Excellence in Teacher Preparation)

Letters of inquiry (preliminary proposals) have recently been developed and sent to 5 foundation or corporate prospects; Follow-up activities are in progress or planned.

Telephone inquiries have been placed to 4 additional prospects, and several more have been identified; additional research is underway.

CITIZENSHIP NOW

Proposals: 2 are currently pending ($500,000; $98,000); 2 were denied

Preliminary proposal: 1 to be submitted 9/29.

Telephone Inquiries: have been made to 2 additional sources; research continues

APPLIED SCIENCES COLLABORATIVE INSTITUTE

ASCI, which operates at Brooklyn, City, COSI and Hunter, is an excellent multi-million dollar naming opportunity. I am developing prospect lists and will review these and solicitation strategies with the colleges' chief development officers. CUNY's highest ranking officials need to be involved.

VETERANS PROGRAM

One individual and two foundation prospects have been identified; a few government sources may prove more lucrative if the program is better defined.

FOREIGN LANGUAGE INSTRUCTION

New to my list; a Board-to-Board contact with a likely funding source will be pursued.

2) MISCELLANEOUS PROSPECT IDENTIFICATION AND CULTIVATION

Two individuals and one foundation have approached us indicating an interest in funding various projects; cultivation activities (meetings, lunches, telephone calls, letters) are underway.

To identify additional prospects the following sources (in addition to the usual directories) have been or are in the process of being reviewed: Standard & Poors alumni lists, Office of the Comptroller's files; 1994 University Relations files.

For the same purpose, vendor lists have been ordered from the comptroller's office.

3) COLLEGE COORDINATION

Meetings with College Development Officers:

Meetings have been held with all but a few chief development officers. I am standardizing and computerizing information about staffing, activities, goals, results, etc.

Establishing Centralized Services.

Prospect Research Library - Dolly Martinez, Development Associate, is organizing this with 40 resources, including directories, newsletters and computer databases.

Planned Giving Consulting, Marketing, Management - With the CDO's at Baruch and Brooklyn, I am reviewing literature and interviewing planned giving consultants, we have met with CUNY financial and legal officials about management of certain gift instruments; all CDO's are being polled about interest in specific services and in writing RFP's.

Project Consulting - writing and reviewing fund raising plans, prospect identification:
Shabazz Memorial Fund, Hall of Fame/Gould Library; Women's Studies Institute; Institute for Research on the African Diaspora in the Americas and Caribbean, Dominican Institute

Semi-Annual Conferences of college development officers - The first is planned for 11/5 at BMCC, featuring presentations on the pooled investment fund, and on implementing a successful community college annual campaign; the second meeting, slated for the spring, will feature planned giving.

4) SPECIAL EVENTS

Fall Reception to honor faculty for special achievements, underwritten by the Lewis & Rachel Rudin Foundation;

Spring Reception to recognize achievements in institutional advancement.

Representatives of funding sources are being invited, those in the NY area will receive follow-up phone calls encouraging them to come. No ticketed events are planned.

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5) PUBLICATIONS/MARKETING

CUNY Matters - names of donors (institutional gifts donors in the Research Foundation Annual Report) and prospects (including the Standard &Poors list) will be added to the mail list;
RF Annual Report - plans call for reorganizing information to be more donor friendly

6) OTHER DEVELOPMENT INFRASTRUCTURE

Gift Acknowledgment/Processing - some procedures have been implemented
Donor/Prospect Database Software - under review
Board Involvement - under review

Attachment B

Baruch College

Office of the Vice President for Administration

Baruch College
The City University of New York
17 Lexington Avenue / Box D-0712
New York, New York 10010
212 802 2805

March 4, 1997

To: Lou Chiacchere

From: Jim Murtha

Subject: State Comptroller's Private Fundraising Report

The referenced report produces several concerns. I will number the items for ease of reference in future correspondence or discussion.

1. The entry for fundraising expenditures on page 5 is incorrect. This figure was carried from the General Fund Budget for the Baruch College Fund. While the number is found in the Baruch College Fund budget report (copy enclosed), this figure includes expenditures for programs as well as operating costs. A more appropriate figure from this report would be the operating budget subtotal from the general fund, inclusive of the costs of the annual campaign and the annual tribute dinner. This total is $517,500.
2. As your office has already confirmed, the other figures in the report are correct.
3. When college officials met with the auditors we were very supportive of the goals of the study and tried to indicate both the importance of private fundraising as well as its very sensitive nature. Had we the opportunity we would have recommended against using figures obtained from the initial review to develop an intra-CUNY scorecard or to measure the individual CUNY colleges against other colleges and systems. At many CUNY colleges private fundraising is in an early stage; such comparisons are likely to be counterproductive may be and misleading.
4. The current draft blends private gifts with privately funded grants. These are often very different types of funds and they should be presented separately. Grants tend to be self-liquidating, while private gifts often become part of a corpus. These two categories should be distinguished in a revised report.
5. The current draft includes numerical data only from FY 1995. Private giving from a small number of large donors increases the variance in total annual contributions from one year to the next. A relatively small dollar base (as is the case for the CUNY colleges) exacerbates this problem. Relatively high year to year variance implies the use of multiple measures and the use of an average. We recommend including data for the three most recent years.

6. Properly managed private contributions add to a corpus that increases resources over time, thus enhancing the ultimate value of private giving. The audit is silent on the issue of the size of the corpus or fund balance. Fund growth reveals the enduring value of private giving. By contrast, raising private funds for the sole purpose of plugging holes in the operating budget leaves nothing for the future. By following a growth strategy and aggressively pursuing private gifts, the capital value of the Baruch College Fund has grown from $6.2 million in FY 1992 to over $25 million today. Data on accumulated private funds (corpus) should be included in the report.

cc: President Matthew Goldstein
Vice President Erica Frederick
Assistant Vice President Dan Creange
Ms. Lucy Lee

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BARUCH COLLEGE FUND
GENERAL FUND
Fy'97 Proposed Budget Compared to Revised Fy'96 Budget:

	PROPOSED FY97 BUDGET		REVISED FY96 BUDGET		DIFF.	
	$	$	$	$	$	$
ESTIMATED REVENUES:						
Telefund (Total)	250,000		230,000		20,000	
Telefund Prospecting	50,000		0		50,000	
Direct Mail/Prospecting	25,000		25,000		0	
Class Campaigns	25,000		37,500		(12,500)	
Fellows Program	150,000		150,000		0	
Major Gifts	40,000		40,000		0	
Corporate Partners Program	0		0		0	
Corporate Matching Gifts	60,000		60,000		0	
Corporations/Foundations	8,500		10,000		(1,500)	
Admin. Fees/Interest Income	75,000		50,000		25,000	
May'96 Annual Tribute Dinner Event	350,000		350,000		0	
Unsolicited Contributions	5,000		2,500		2,500	
Total Contributions		1,038,500		955,000		83,500
Capital Campaign: trf. from fy 95 fund balance	0		162,000		(162,000)	
Baruch Business Forum Income	25,000		0		25,000	
		25,000		162,000		(137,000)
TOTAL REVENUE		1,063,500		1,117,000		(53,500)
ESTIMATED EXPENDITURES:						
Fund Operations:						
Telefund	95,000		93,000		2,000	
Donor Acquisition/Prospecting	10,000		10,000		0	
Development Office						
Fulfillment Expenses	10,000		10,000		0	
Shipping	2,500		2,500		0	
Printing	2,500		2,500		0	
Fees and Services						
Audit	11,000		11,000		0	
Directors' Liability Insurance	4,500		4,500		0	
Unrelated Business Income Tax	0		3,000		(3,000)	
Database Address/Phone Updates	7,500		7,500		0	
Directories/Subscriptions	1,000		2,000		(1,000)	
Conferences	1,000		2,000		(1,000)	
Meetings (BCF Board/Committees)	2,000		2,000		0	
Local Travel/Entertainment	1,000		5,000		(4,000)	
Events/Mailings						
Printing: In-house stationery	800		800		0	
Fellows Campaign: mailings/brochure	1,500		1,500		0	
Reunion Class Campaigns: mailings	1,500		1,500		0	
Fellows Dinner Dance	5,000		5,000		0	
Reunion Class Event	1,500		1,500		0	
President's Reception Event	3,500		3,500		0	
Other Postage	1,700		1,700		0	
Computer Systems	0		5,000		(5,000)	
Total Funds Operation		163,500		175,500		(12,000)
Capital Campaign		215,000		162,000		53,000
Annual Tribute Dinner Event		100,000		180,000		(80,000)
				$517,500		

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	PROPOSED FY97 BUDGET		REVISED FY96 BUDGET		DIFF.	
	$	$	$	$	$	$
Ongoing Sustained Support:						
Baruch Business Forum	25,000		45,000		(20,000)	
Baruch Today/Inside Baruch	50,000		75,000		(25,000)	
Capital Campaign Feasibility	0		32,000		(32,000)	
Mishkin Gallery	35,000		35,000		0	
Library Match	50,000		42,000		8,000	
Alexander String Quartet Residency	10,000		10,000		0	
Dollars & Sense Magazine	12,000		12,000		0	
Weaver Forum	1,000		3,000		(2,000)	
Milt Hinton Jazz Concert	8,000		10,000		(2,000)	
Student Development	40,000		40,000		0	
Student Enrollment Services	7,000		7,000		0	
Personnel Service Awards	3,000		3,000		0	
SEEK Awards Ceremony	0		1,000		(1,000)	
Undergraduate Honors Program	1,000		1,000		0	
Faculty Travel	11,000		25,000		(14,000)	
FRIA	0		12,000		(12,000)	
President Excellence Awards	6,000		6,000		0	
Total Ongoing Sustained Support		259,000		359,000		(100,000)
Academic Affairs Annual Program Support:						
Department Seminars						
SPA	5,000					
SBUS	25,000					
SLAS	15,000					
Total Department Seminars		45,000		38,450		6,550
College Enrichment						
Orientation to Process Education	2,500					
Career Information Events	1,000					
Science Newsletter	1,000					
Health Science Fair	1,000					
Total College Enrichment		5,500		3,750		1,750
Multicultural Programs		15,000		13,750		1,250
Total Academic Affairs Annual Program Support		65,500		55,950		9,550
TOTAL EXPENDITURES		803,000		932,450		(129,450)
REVENUE OVER EXPENSES (DEFICIT)		260,500		184,550		75,950
Transfer to Honoree Account (restricted)		(250,000)		(170,000)		(80,000)
NET REVENUE OVER EXPENSES (DEFICIT)		10,500		14,550		(4,050)

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THE
BROOKLYN COLLEGE
FOUNDATION, INC.

March 14, 1997

Mr. Louis Chiacchere
Internal Audit
City University of New York
535 East 80th Street
New York, NY 10021

Dear Mr. Chiacchere:

I recently received a copy of the preliminary report from the Office of the State Comptroller regarding its study of the City University of New York's private fund raising practices.

The report indicates that total giving in 1995 for **Brooklyn College** was $2,770,327. This figure is incorrect. On checking with the auditors of The Brooklyn College Foundation, Inc., the correct figure for total giving in 1995/96 was **$2,907,855**.

Sincerely,

David F.A. Walker
President

cc: Dr. W. Ann Reynolds
Dr. Vernon E. Lattin

2900 Bedford Avenue, Brooklyn, NY 11210-2889 Tel (718) 951-5074 Fax (718) 951-4248

Office of the President

HUNTER

March 5, 1997

Mr. Louis Chiacchere
Office of Internal Audit
The City University of New York
535 East 80th Street
New York, New York 10021

Dear Mr. Chiacchere:

I write in response to your request for comments regarding the Preliminary Draft Report on CUNY's Private Fundraising Practices.

The total giving amount of $8,992,418 attributed to Hunter College in the "Dollars Raised Per Full Time Equivalent (FTE) Student" table on Page 11 does not conform with Hunter's internal accounting. Our figures for Fiscal Year 1995 indicate the following:

$ 4,378,000	Funds raised through the Hunter Foundation
4,245,786	Grants received from Foundations
304,236	Grants received from Corporations
519,813	Funds raised through Scholarship & Welfare Fund
$ 9,447,835	**Grand Total**

In the background information on Page 1, Hunter College Campus Schools is referred to as "Hunter College High School". It should be noted that in addition to being a high school, Hunter College Campus Schools includes Grades Pre-K to 12.

We have found that a major reason for a donor's decision to contribute to the college begins because he/she has developed a close relationship with a particular entity (Alumni Association, Child Care Center, Scholarship & Welfare Fund, etc.) within the college or to the general benefit of the college. Donors often stipulate that their gift must be used to improve or maintain a specific department or program as well as unrestricted gifts for the general benefit of the college. It is for this reason that the recommendation for the University to handle fundraising for the colleges centrally might be counterproductive. The idea of the college utilizing a resource person at the University level for information and direction should be considered but the individual college should control its fundraising efforts. Similarly, the college working in tandem with the University in fundraising would possibly send a mixed signal to a potential donor. Each college is unique. This uniqueness is the college's strongest asset in its relationship with individual donors.

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The recommendation for the Directors of Fundraising to meet formally a few times a year could prove to be very helpful. These meetings would provide a forum to exchange fundraising ideas, strategies and information. Hunter College strives to meet the fund raising averages of its peer and non-peer institutions. The sharing of information and resources at the University level could prove to be useful to improve our fund raising efforts.

Thank you for the opportunity to comment on the preliminary report.

Sincerely,

David A. Caputo
President

DAC/EJG/tt

TOTAL P.03

Lehman College
THE CITY UNIVERSITY OF NEW YORK

Office of the President

March 10, 1997

Mr. Louis Chiacchere
Office of Internal Audit
The City University of New York
535 East 80th Street
New York, NY 10021

Dear Mr. Chiacchere:

In response to your February 21, 1997 letter regarding the draft of the report prepared by the Office of the State Comptroller, titled "City University of New York Study of Private Fundraising" (96-D-001), I would like to submit the comments that follow in addressing the questions listed on page 16 of the report.

Question 1. Should CUNY central administration provide leadership and guidance to the CUNY campuses in the area of private fund raising?

Response: Yes, provided that leadership and guidance be in the form of training and technical assistance to the staff involved at the campus level, or in identifying potential fund raising prospects for individual institutions.

Question 2. Should CUNY provide the needed resources to fund development programs at the campuses?

Response: The provision of additional resources would be appreciated by most campuses. However, central administration should not establish minimal criteria or standards to be met by every college. The decision on how much to invest from the tax levy as well as the non-tax levy budget in fund raising should be left up each institution, as determined by its president.

Question 3. Should CUNY central act as a central depository of fund raising ideas and information?

Response: See # 1, above. The gathering of useful manuals, newsletters, and other materials related to fundraising and making them available to staff from the campsuses would be useful. Each campus should be made aware of opportunities, especially those that appear to fit their unique missions, plans and needs, but it should be up to each campus to avail itself of this information as it sees fit.

250 Bedford Park Boulevard West • Bronx, New York 10468 • (718) 960-8111 • FAX (718) 584-1765

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Question 4. Should CUNY central ensure that each campus has at least one full time development persons on staff at all times?

Response: See # 2, above. Each institution is at a different level of capability in terms of its ability and experience in fund raising from the private sector. Established colleges, particularly those which have been in existence for several decades (such as City, Hunter, Brooklyn and Queens), have greater potential, given their larger alumni base. Younger institutions, such as Lehman, John Jay, College of Staten Island, have a smaller alumni base to draw from and less experience in fund raising per se. Other colleges, which are even more recent creations as 4-year institutions, such as Medgar Evers, are at a different level still. (The list is not meant to be exhaustive.) Some community colleges may be able to raise substantial funding from the private sector while others are only now moving into this activity. It should be up to each president to decide how the college she/he oversees should involve itself in this task. Additional tax levy resources, if they are made available, would obviously be of help in moving institutions to become more active in this activity.

Question 5. Is there an advantage to the CUNY campuses in working together to raise private funds?

Response: Fund raising is an individual college activity, generally speaking. There are very few circumstances in which it would make sense for a joint or collaborative relationship for fund raising. Alumni are loyal to their respective alma mater and are not inclined to donate to common pools of funds across institutions. In addition, the unique mission of each college may be the theme that attracts an individual or a corporation to make a donation for a given purpose. CUNY itself has no graduates, only the individual colleges have alumni/alumnae, although one hears people comment on occasion: "I'm a graduate of the City University." Perhaps only in the area of scholarships (undergraduate and graduate) would it be possible to raise funds for the CUNY system, and even here it would be difficult to assess the prospects for success of such a campaign.

Question 6. Should the CUNY campuses strive to meet the private fund raising averages of its fund raising peers and non-peers?

Response: It is useful to have data available to compare how one's own college is doing vis-à-vis peer institutions and others. I do not agree that specific targets should be set for each college because an institution's capability depends on many factors, including the level of resources devoted to this activity, the pool of alumni, the age of the institution and the level of achievement of its alumni, and its overall experience in fund raising. Part of the training and technical assistance that central administration might offer to colleges requesting it could involve helping each college set goals that are reasonable, given their stage of development of fund raising expertise.

Question 7. Would increased sharing of resources between the campus alumni associations, the

development office, and the associated foundations improve fund raising results?

Response: The coordination of fund raising efforts requires the collaboration among the various units on campus that are involved in fundraising (alumni office, development office, and the college's individual foundation, if one exists). No systemwide coordination is envisioned as fund raising is tied to individual colleges. The president and her/his staff (e.g., VP for Advancement, Director of Development, etc.) should be responsible for seeing to it that such coordination takes place on campus in order to ensure the most efficient use of public and private resources.

I should also like to comment on the report itself. The audit is helpful in that its main message highlights the necessity for CUNY's constituent colleges to increase their individual fund raising efforts and capabilities. In order to achieve this, additional funding should be provided to the colleges by central administration. The statistics reported for various colleges/universities appear to use different standards of analysis, yet they are presented as valid comparisons across institutions. My staff and I are not clear as to the methodology used to derive Lehman's total giving raising for the period in question (April 1, 1993 to September 30, 1996), as reported on page 11, and therefore cannot attest to the accuracy of the figure listed for the College -- $2,806,350.

Among the issues that flow from this report are two overarching questions: How can 80th Street effectively support CUNY's constituent colleges and schools in their fundraising efforts?, and 2) How can a comprehensive plan be developed to create a more positive public image for CUNY that would lead to enhanced private support for its constituent colleges/schools and, under some circumstances, for CUNY as a higher education system, e.g., graduate and undergraduate scholarships?

A possible approach to follow after the distribution of the final report by the Office of the State Comptroller might be for CUNY's central administration, after proper consultation with the Board of Trustees's Fiscal Affairs Committee, to convene a group of representatives from the various CUNY colleges to discuss the report and to recommend strategies and next steps to be considered in their implementation within CUNY.

Thank you for the opportunity to comment on the draft of this important report. I look forward to receiving a copy of CUNY's response based on the comments by all of the presidents who respond to your request, and to future discussions that may take place on this topic.

Sincerely,

Ricardo R. Fernández
President

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QUEENS COLLEGE
THE CITY UNIVERSITY OF NEW YORK
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OFFICE OF THE
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October 29, 1997

Mr. David Rankert
Office Of Internal Audit
City University of New York
535 East 80th Street
New York, New York 10021

Dear Mr. Rankert:

Attached in response to your questions is an overview of the programs targeted for support and the total funding pledged to Queens College through its comprehensive campaign, which began in August of 1992 and was completed in July of 1994. The $10 million referenced in the college's response to the State Comptroller's audit of fund-raising activities is based on the results of this special program campaign.

The references in this letter to annual fund receipts at other CUNY campuses are based on informal communications between individuals at Queens and other individuals and are, therefore, estimates.

I hope this information is helpful to you. Please let me know if you have questions or require additional information.

Sincerely,

Sherry F. Brabham
Vice President for
Finance and Business (Acting)

c: Mr. DellaPina

A Comprehensive Campaign to Benefit Queens College

A comprehensive needs campaign by the Queens College Foundation was started in August of 1992 and was completed in July, 1994. The areas of need were identified as:

Endowments

Named professorships
Named scholarships
Named fellowships
Named awards of excellence

Facilities

Scientific and lab equipment
Art and music equipment
Library archives and acquisitions
Computer labs

Programs

Business and Liberal arts
Journalism Program
Science Programs
World Studies

Centers

New American Workforce
Jewish Studies
Asian/American
Byzantine & Modern Greek Studies
Louis Armstrong

The results of that special campaign were $10,165,000 pledged from 18 individuals in support of Queens College. The gifts pledged were in the form of bequests, insurance, long-term bonds, property, and cash/pledges. The following is a breakdown of the amounts received:

- Cash received on pledges is approximately $1.7 million
- Commitments of gifts in the form of bonds, insurance, bequests, and property: $4,050,000
- Pledges outstanding: $4,415,000

The program was halted in August of 1994.

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March 11, 1997

Office of the President

Ms. Joan Williams
Auditor-in-Charge
Office of the State Comptroller
Arthur Levitt State Office Building
270 Broadway
New York, New York 10007

Comments to preliminary draft report

Dear Ms. Williams:

I have received a copy and read with interest the preliminary report regarding your study of private fundraising practices within the City University of New York. As you know from the interview process, Queens College has taken systemic steps to increase fundraising participation from all sources available to the College. Those include efforts that are directed not only towards private sources such as alumni, friends, corporations, corporate and private foundations, but also to public foundations, city, state and federal agencies. We have over the past years reached out to our constituency and developed one of the most preeminent Foundation Boards in this nation. One of the primary missions of the Board is to develop fundraising strategies and stimulate fundraising activities on behalf of Queens College and to support those efforts. Towards this end the College and Foundation have been successful and, in fact, this year have begun to far exceed our previous goals.

Of concern in the preliminary report are the fundraising activities of Queens as compared to other CUNY colleges. Specifically, amounts reported by other CUNY institutions may have included gifts excluded in the Queens College data. The comparisons for Annual Fund using comparable data would likely be $4.5 million for Hunter College, $1.2 million for CUNY Graduate Center, and $2.1 million for City College. Queens College data provided for in this report included dollars raised only through annual giving and did not include the over $10 million raised in private contributions for special programs. Totals including these additional figures would certainly surpass the approximately $5 million raised in annual giving alone in FY 1995-96.

The preliminary report issued by the Office of the State Comptroller is an analysis that is both useful and insightful, and we at Queens College have already begun to review how to implement some of the applicable practices outlined in the report.

I want to thank you and the Office of the State Comptroller for preparing such a thought provoking and informative report.

Sincerely,

Allen Lee Sessoms
President

ALS/bp

cc. Chancellor W. Ann Reynolds

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